

**B.A. (VS) Modern Office Management**  
**Semester VI**  
**DISCIPLINE SPECIFIC ELECTIVE COURSE – 6.1 (DSE-6.1)**  
**Accounting for Managerial Decision Making**

**CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE**

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
<b>Accounting for Managerial Decision Making DSE-6.1</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>12<sup>th</sup> Pass</b>	<b>-</b>

**Learning Objective:** The course aims to enable students to acquire knowledge of concepts, methods and various techniques of accounting for the purpose of managerial planning, control and decision making.

**Learning Outcomes:** After completion of the course, learners will be able to:

1. Analyse fundamentals of accounting and its branches.
2. Examine financial statements and their uses in managerial decision making.
3. Explore the budgetary control system as a tool of managerial planning and control.
4. Utilize the concept of cost-volume-profit analysis for use in short-term decision making.
5. Evaluate the concept of relevant cost and make decisions related to different business situations using marginal costing and differential costing techniques.

**Unit 1: Fundamentals of Accounting 9 hours**

An Overview of Accounting: meaning, scope, objectives, accounting as part of information system, branches of accounting. Financial accounting process, accounting concepts, accounting standards. Basic cost concepts, cost classification, cost sheet, an overview of various types of costing methods.

**Unit 2: Financial Statements and their Analysis 9 hours**

Understanding of financial statements. Interpretation of financial statements with the help of ratio analysis (liquidity ratios, profitability ratios, turnover ratios and solvency ratios) and cash flow analysis.

**Unit 3: Budgetary Control System 9 hours**

Concept of budget, budgeting and budgetary control; objectives, merits and limitations; Functional Budgets; Fixed and Flexible budgeting.

**Unit 4: Cost Volume Profit Analysis****9 hours**

Concept of marginal cost and marginal costing, marginal costing equation and contribution margin, Cost-volume-profit analysis; Break-even Analysis, Profit-volume ratio, break-even point, angle of incidence, margin of safety, key factor.

**Unit 5: Decision Making under Specific Situations****9 hours**

Steps in decision making process. Concept of relevant costs. Solving various short -term decision making problems using marginal costing and differential costing techniques – Profitable product mix, Acceptance or rejection of special/ export offers, Make or buy, Addition or elimination of a product line, and pricing decisions.

**Note: Use of Spreadsheet should be encouraged for doing basic calculations for various topics in the course and giving students subject related assignments for their internal assessment purposes.**

**Practical Exercises:** The learners are required to:

1. discuss differences between various forms of accounting
2. Preparation of cost sheet
3. prepare different types of budgets.
4. visit any manufacturing unit and study the relevance of marginal costing and study their cost-volume-profit relationship.
5. do various exercises on different decision-making situations

**Suggested Readings:**

- Arora, M.N., & Katyal, P. (2021). *Management Accounting*. Himalaya Publishing House, New Delhi
- Goel, R. K. & Goel, I. (2019). *Concept Building Approach to Management Accounting for B.Com.*, Cengage
- Goyal, B.K and Tiwari, H. N. (2022). *Financial Accounting*. Taxmann, New Delhi
- Kishore, Ravi.M. (2020). *Financial Management*. Taxmann, New Delhi
- Monga, G.R. and Bahadur, Raj. (2022). *Basic Financial Accounting*. SCHOLAR Tech Press, New Delhi
- Singh, Surender. (2019). *Management Accounting*. PHI Learning Pvt. Limited, New Delhi
- Singh, Surender. (2018). *Elements of Cost Accounting*. Kitab Mahal, New Delhi
- Singh, S.K.and Gupta, Lovleen. *Basic Management Accounting: Theory and Practice*. A.K. Publications. New Delhi
- Tulsian, P.C. (2023) *Cost Accounting*. S.Chand, New Delhi.

**Notes:**

1. Suggested readings shall be updated and uploaded on the college website from time to time.
2. Examination scheme and mode shall be as prescribed by the Examination branch, University of Delhi from time to time.